

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/24/10

Marsha O. Millican  
Certified Public Accountant  
Shreveport, Louisiana

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

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June 30, 2009

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# Marsha O. Millican

## CERTIFIED PUBLIC ACCOUNTANT

### INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Council on Alcoholism and Drug Abuse  
of Northwest Louisiana, Inc.  
Shreveport, Louisiana

I have audited the accompanying statement of financial position of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. (a non-profit organization) as of and for the year ended June 30, 2009. These financial statements are the responsibility of Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated December 28, 2009 on my consideration of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of state contracts listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. That schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

*Marsha O. Millican*

Certified Public Accountant  
December 21, 2009

810 WILKINSON  
SHREVEPORT, LA 71104-3036  
(318) 221-3881  
FAX: (318) 221-4641

## COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

## Statement of Financial Position

June 30, 2009

## ASSETS

## CURRENT ASSETS

Cash and Cash Equivalents	\$ 333,325
Grants and Contracts Receivable	514,978
Pledges Receivable, Net	21,804
Prepaid Expenses	72,292
Investment	27,976
Other	425
Total Current Assets	<u>970,800</u>

## PROPERTY AND EQUIPMENT (NET)

1,272,716

## OTHER ASSETS

Pledges Receivable - Long Term	126,154
Deposits	720
	<u>126,874</u>

## Total Assets

\$ 2,370,390

## LIABILITIES AND NET ASSETS

Accounts Payable and Accrued Expenses	\$ 115,596
Compensated Absences Payable	35,719
Notes Payable - Current Maturities	<u>42,117</u>

## Total Current Liabilities

193,432

## LONG-TERM LIABILITIES

Notes Payable - net of Current Portion	<u>194,174</u>
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## Total Liabilities

387,606

## Net Assets:

Unrestricted	1,981,521
Temporarily Restricted	<u>1,263</u>

## Total Net Assets

1,982,784

## Total Liabilities and Net Assets

\$ 2,370,390

The accompanying notes are an integral part of this statement.

## COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA, INC

## Statement of Activities

For the Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE:</b>				
Support:				
Contributions	\$ 324,389	\$ -	\$ -	\$ 324,389
Grants	-	370,738	-	370,738
Allocations from Federal Fund Raising Organization	47,193	-	-	47,193
Total Support	371,582	370,738	-	742,320
Revenues:				
Client Fees	113,936	-	-	113,936
Program Service Fees	2,904,817	-	-	2,904,817
Rental Revenue	4,272	-	-	4,272
Miscellaneous	7,569	-	-	7,569
Total Revenues	3,030,594	-	-	3,030,594
Total Support and Revenue	3,402,176	370,738	-	3,772,914
Net Assets Released from Restrictions:				
Satisfaction of Usage Restrictions	370,738	(370,738)	-	-
Total Support and Revenue	3,772,914	-	-	3,772,914
<b>EXPENSES</b>				
Program Expenses	3,014,403	13,537	-	3,027,940
Management and General	609,750	-	-	609,750
Total Expenses	3,624,153	-	-	3,637,690
Change in Net Assets	148,761	(13,537)	-	135,224
Net assets, beginning of year	1,832,760	14,800	-	1,847,560
Net assets, end of year	\$ 1,981,521	\$ 1,263	\$ -	\$ 1,982,784

The accompanying notes are an integral part of this statement.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Statement of Functional Expenses

Year Ended June 30, 2009

	<u>Caddo-</u> <u>Bossier</u> <u>Center</u>	<u>Adolescent</u> <u>Center</u>	<u>Buckhalter</u> <u>Program</u>	<u>Employee</u> <u>Assistance</u> <u>Program</u>	<u>STEPS</u>	<u>Family</u> <u>Success</u> <u>Institute</u>
Salaries	\$87,437	\$284,126	\$161,074	\$65,419	\$164,036	\$251,867
Payroll Taxes	6,356	20,872	11,679	4,878	12,129	18,493
Building Rent	0	1,424	5,400	-	18,000	1,424
Equip Rent/Lease	275	911	1,209	129	1,069	736
Fundraising Expense	2,213	2,354	2,214	2,214	2,214	2,353
Utilities & Telephone	666	24,066	1,514	7,320	4,702	24,069
Auto Expense	2,016	4,522	7,874	67	4,064	4,719
Insurance	17,931	32,409	28,038	9,429	26,084	28,176
Training & Travel	1,680	3,479	2,634	696	2,727	3,686
Food	24,395	39,031	47,465	-	12,739	39,145
Maintenance & Repair	580	13,438	2,158	1,862	3,124	13,022
Supplies	3,934	13,021	13,271	3,089	8,129	14,046
Printing & Literature	232	532	275	1,188	648	532
Depreciation	1,703	7,524	7,123	-	8,121	4,829
Professional Services	5,387	16,941	16,003	17,778	21,272	19,591
Advertising/Promotion	95	95	95	1,328	95	95
Interest Expense	-	-	-	-	-	-
Miscellaneous	3,167	16,002	10,465	3,728	8,029	14,058
Total	<u>\$158,067</u>	<u>\$480,747</u>	<u>\$318,491</u>	<u>\$119,125</u>	<u>\$297,182</u>	<u>\$440,841</u>

The accompanying notes are an integral part of this statement.

<u>Caddo Adult Drug Court</u>	<u>Biedenharn Center</u>	<u>Cavanaugh Center</u>	<u>Serenity House</u>	<u>The Cottage</u>	<u>Management and General</u>	<u>Total</u>
\$135,263	\$152,561	\$356,939	\$-	\$-	\$237,988	\$1,896,710
10,151	11,328	26,274	-	-	17,829	139,989
-	58,332	1,424	-	-	-	86,004
276	479	675	2	2	154	5,917
2,213	2,213	2,354	1,026	1,028	17,579	39,975
8,108	29,344	24,079	7,712	8,173	9,613	149,366
67	579	4,670	-	-	37	28,615
10,596	21,380	31,766	4,711	-	34,904	245,424
5,503	6,957	2,527	4	4	14,093	43,990
-	3,390	39,080	-	-	-	205,245
2,312	4,125	11,978	1,662	1,956	2,284	58,501
9,370	30,902	12,628	12	1,919	8,278	118,599
876	277	600	104	105	498	5,867
-	-	7,288	210	338	30,208	67,344
63,307	13,658	21,601	3,749	4,349	47,613	251,249
425	624	95	47	47	1,315	4,356
-	-	-	-	-	25,350	25,350
11,557	13,829	19,918	1,960	469	162,007	265,189
<u>\$260,024</u>	<u>\$349,978</u>	<u>\$563,896</u>	<u>\$21,199</u>	<u>\$18,390</u>	<u>\$609,750</u>	<u>\$ 3,637,690</u>

## COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

## Statement of Cash Flows

For the Year Ended June 30, 2009

## CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 135,224
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	67,343
Changes in assets and liabilities:	
Increase in grants and contracts receivable	(97,244)
Increase in pledges receivable	(147,958)
Increase in prepaid insurance	(4,800)
Increase in investments	(8,360)
Increase in other current assets	(60)
Decrease in accounts and accrued expenses	(30,964)
Increase in compensated absences payable	<u>5,391</u>
Net cash provided by operating activities	<u>(81,428)</u>

## CASH FLOWS USED BY INVESTING ACTIVITIES:

Purchase of fixed assets	<u>(54,251)</u>
Net cash provided by investing activities	<u>(54,251)</u>

## CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:

Proceeds from borrowings	-
Principal payments on debt	<u>(73,383)</u>
Net cash used by financing activities	<u>(73,383)</u>
Net increase in cash	(209,062)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>542,387</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 333,325</u></u>
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## Supplemental disclosures of cash flow information:

Cash paid during the year for interest expense	<u><u>\$ 26,702</u></u>
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The accompanying notes are an integral part of this statement.



COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Notes to Financial Statements

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

The Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. is a nonprofit organization exempt for Federal income tax purposes under Section 501(C)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

B. Nature of Activities:

The purpose of the Council is to heighten public awareness that substance abuse is a preventable and treatable disease through a combined strategy of education, public policy changes and the efforts of individuals, families and all elements of the community working in concert. The council operates an information center providing a wide variety of information and referrals. The Council also operates the Caddo Bossier Center, the Adolescent Center, the Cavanaugh Center, and the Buckhalter Hotel that provide long-term residential treatment for adults and teens.

C. Basis of Accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

D. Support and Revenue:

The Council receives its grant, contract support, and program service fees primarily from the State of Louisiana Department of Health and Hospitals and other State Agencies. The Council also receives funds from U.S. Department of HUD and the U.S. Small Business Administration. Support and revenue received from those grants and contracts is recognized on a "net funded" basis whereby State of Louisiana Department of Health and Hospitals, Office for Addictive Disorders funding is recognized on a last-dollar-in basis. Related expenses incurred are "netted" first by client fees and food stamp income in determining grant funds to be recognized. The Council receives client fees and food stamp income for billable client services and recognizes these fees and income when earned.

E. Cash and Cash Equivalents:

For purposes of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(Continued)

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Notes to Financial Statements

June 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

F. Property and Equipment:

Purchased property and equipment are stated at cost. The Council's policy is to capitalize and depreciate long-lived assets with a cost of \$1,000 or more. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from five to seven years (furniture and equipment) to 10 to 39 years (buildings, improvements and leasehold improvements).

G. Contributions:

All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net asset are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

H.

H. Promises to Give:

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

I. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Estimates made by management include realization of receivables and depreciation.

J. Functional Allocation of Expenses:

The costs of providing the Council's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

(Continued)

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Notes to Financial Statements

June 30, 2009

2. Cash

At June 30, 2009, all deposits were fully insured by FDIC insurance.

3. Grants and Contracts Receivable:

Grants and contracts receivable at June 30, 2006 are as follows:

Department of Health and Hospitals	\$ 150,359
U.S. Department of HUD	104,165
City of Shreveport	1,800
Other Receivables	<u>127,554</u>
Total	<u>\$ 383,878</u>

All grants and contracts receivable at June 30, 2009, are believed by management to be fully collectible.

4. Unconditional Promises to Give:

Unconditional promises to give at June 30, 2009 consisted of the following:

Receivable in less than one year	\$ 42,010
Receivable in one to four years	<u>126,154</u>
Total unconditional promises to give	168,164
Less discounts to present value	( 7,816)
Less allowance for uncollectible pledges	<u>( 12,390)</u>
Net unconditional promises to give at June 30, 2009	147,958
Due within one year	<u>( 42,010)</u>
Unconditional promises to give - long-term	<u>\$ 105,858</u>

(Continued)

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Notes to Financial Statements

June 30, 2009

5. Property and Equipment:

Property and Equipment consists of the following:

Buildings and Land	\$ 1,337,217
Leasehold Improvements	356,070
Furniture and Fixtures	35,325
Equipment	<u>623,736</u>
	2,352,348
Less Accumulated Depreciation	<u>( 1,079,632)</u>
Property and Equipment - Net	<u>\$ 1,272,716</u>

6. Notes Payable

Notes payable at June 30, 2009 consist of the following:

Note payable to Regions Bank, interest at 7.75%, \$3,847 monthly principal and interest beginning November 10, 2006 with a final payment equal to remaining principal and interest due on October 10, 2012; collateralized by real estate. \$ 203,088

Note payable to Regions Bank, interest at 7.35%, \$1,740 monthly principal and interest beginning March 26, 2007 with a final installment equal to remaining principal and interest due on February 6, 2012; unsecured. 33,203

Total notes payable	236,291
Less: Current portion notes payable	<u>( 42,117)</u>
Long-term portion notes payable	<u>\$ 1194,174</u>

Maturities of long-term debt including interest of \$38,801 are as follows:  
6/30/2010-\$60,295; 6/30/2011-\$59,314;6/30/12-\$155,483.

7. Rental Expense

The Council leases the facilities that house its Caddo-Bossier Center for \$1 per year. The Council rents facilities for its Buckhalter and STEPS program on a month to month basis for a total of \$1,950 per month.

(Continued)

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC.

Notes to Financial Statements

June 30, 2009

8. Related Party Transactions

Beginning October, 2007, rental paid by the Section 8 moderate rehabilitation program to the Buckhalter Limited Partnership (Partnership) with respect to clients served by the Council was severely curtailed. Because this rental is required to pay the operating expenses of the Buckhalter Hotel ("Hotel"), which is an integral part of the Buckhalter Program, the Partnership was unable to meet the necessary operating and maintenance expenses necessary to regain full rental payments under the Section 8 program. To meet its commitment to its clients at the Hotel, the Council paid the necessary operating and maintenance costs of the Hotel. The total paid on behalf of the Partnership was \$122,710. In 2009, management determined the Partnership would not be able to repay this amount and expensed the accumulated receivable to bad debts.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2009

<u>FEDERAL GRANTOR/ PROGRAM TITLE *</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through the Louisiana Department Of Health & Hospitals:				
<u>Office for Addictive Disorders</u>				
Subs Abuse Counselor LSUHSC	93.959	\$43,000	\$40,635	\$40,635
Halfway House* Caddo-Bossier Center	93.959	156,300	153,877	153,877
Halfway House * Adolescent Center	93.959	514,000	379,680	379,680
Halfway House * Buckhalter Hotel	93.959	178,200	176,646	176,646
Social Detoxification S.T.E.P.S.	93.959	163,600	143,750	143,750
Halfway House * Family Success Institute	93.558	664,380	477,722	477,722
Inpatient Treatment* Cavanaugh Treatment Center	93.959	1,054,200	760,149	760,149
Subtotal CFDA # 93.558	93.558	<u>664,380</u>	<u>477,722</u>	<u>477,722</u>
Subtotal CFDA # 93.959	93.959	<u>2,109,300</u>	<u>1,654,737</u>	<u>1,654,737</u>
Subtotal for U.S. Department of Health and Human Services		<u>2,773,680</u>	<u>2,132,459</u>	<u>2,132,459</u>
Passed through the Louisiana Department of Social Services				
Supreme Court/TANF 1st JDC - Caddo Adult Drug Court Family Success Institute	93.558	<u>40,118</u>	<u>40,118</u>	<u>40,118</u>
Total for U.S. Department of Health and Human Services		<u>2,813,798</u>	<u>2,172,577</u>	<u>2,172,577</u>
 U.S. Department of HUD:				
Supportive Housing Program	14.235	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Total - All Federal Awards		<u>\$3,063,798</u>	<u>\$2,422,577</u>	<u>\$2,422,577</u>

\* Indicated Major Program

COUNCIL ON ALCOHOLISM AND DRUG ABUSE OF NORTHWEST LOUISIANA, INC.

Schedule of State Contracts

For the Year Ended June 30, 2009

<u>FEDERAL GRANTOR/ PROGRAM TITLE *</u>	<u>CONTRACT NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
<u>U.S. Department of Health and Human Services</u> Passed through the Louisiana Department Of Health & Hospitals:				
Office for Addictive Disorders				
LSUHSC*	050092	\$43,000	\$40,635	\$40,635
Pilot Emergency Room				
Halfway House *	050086	156,300	153,877	153,877
Caddo-Bossier Center				
Halfway House *	050082	514,000	379,680	379,680
Adolescent Center				
Outpatient Services	050089	38,000	38,000	38,000
Halfway House*	050084	178,200	176,646	176,646
Buckhalter Hotel				
Social Detoxification *	050085	163,600	143,750	143,750
S.T.E.P.S.				
Halfway House *	050090	664,380	477,722	477,722
Family Success Institute				
Inpatient Treatment*	050087	<u>1,054,200</u>	<u>760,149</u>	<u>760,149</u>
Cavanaugh Center				
Total - Office for Addictive Disorders		<u>2,811,680</u>	<u>2,170,459</u>	<u>2,170,459</u>
Total - All State Contracts		<u>\$3,021,687</u>	<u>\$2,339,230</u>	<u>\$2,339,230</u>

\* Indicates Federal Awards



# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Council on Alcoholism and Drug Abuse  
of Northwest Louisiana, Inc.  
Shreveport, Louisiana

I have audited the financial statements of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. as of and for the year ended June 30, 2009, and have issued my report thereon dated December 28, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, I do not express an opinion on the effectiveness of the Council's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Council's financial statements that is more than inconsequential will not be prevented or detected by the Council's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Council's internal control. My consideration of internal control was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control that I consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Council's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

810 WILKINSON  
SHREVEPORT, LA 71104-3036  
(318) 221-3881  
FAX: (318) 221-4641



This report is intended solely for the information and use of management, the Board of Directors, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Marsha D. McIlwain*

Certified Public Accountant  
December 21, 2009



# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors  
Council on Alcoholism and Drug Abuse  
of Northwest Louisiana, Inc.  
Shreveport, Louisiana

### Compliance

I have audited the compliance of Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Council's management. My responsibility is to express an opinion on the Council's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Council's compliance with those requirements.

In my opinion, Council on Alcohol and Drug Abuse of Northwest Louisiana, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

### Internal Control Over Compliance

The management of Council on Alcohol and Drug Abuse of Northwest Louisiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing my opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Council's internal control over compliance.

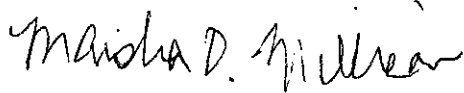
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Council's financial statements that is more than inconsequential will not be prevented or detected by the Council's internal control.

810 WILKINSON  
SHREVEPORT, LA 71104-3036  
(318) 221-3881  
FAX: (318) 221-4641

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Council's internal control.

My consideration of internal control was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control that I consider to be material weaknesses, as defined above.

This report is intended solely for the information of management, the Board of Directors and applicable federal and state cognizant agencies and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in dark ink, appearing to read "Maisha D. Miller". The signature is fluid and cursive, with the first name "Maisha" being more prominent than the last name "Miller".

Certified Public Accountant  
December 21, 2009

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST LOUISIANA, INC

Schedule of Findings

For the Year Ended June 30, 2009

Summary of Audit Results

1. The auditor's report expressed an unqualified opinion on the financial statements.
2. No control deficiencies relating to the audit of the basic financial statements are reported.
3. No instances of noncompliance material to the basic financial statements were disclosed during the audit.
4. The auditor's report on compliance for major federal award programs expresses an unqualified opinion on all major federal programs.
5. The programs tested as major programs included:
  - 93.959 Halfway House - Adolescent Center
  - 93.959 Halfway House - Family Success Institute
  - 93.959 Inpatient Treatment - Cavannaugh Treatment Center
6. The threshold for distinguishing Type A and B programs was \$300,000.
7. Council on Alcoholism and Drug Abuse of Northwest Louisiana, Inc. was determined to be a low risk auditee.

Finding/Noncompliance

There were no findings for the year ended June 30, 2009.

COUNCIL ON ALCOHOLISM AND DRUG ABUSE  
OF NORTHWEST, INC.

Corrective Action Taken on Prior Year Findings

For the Year Ended June 30, 2009

There were no findings for the year ended June 30, 2008.